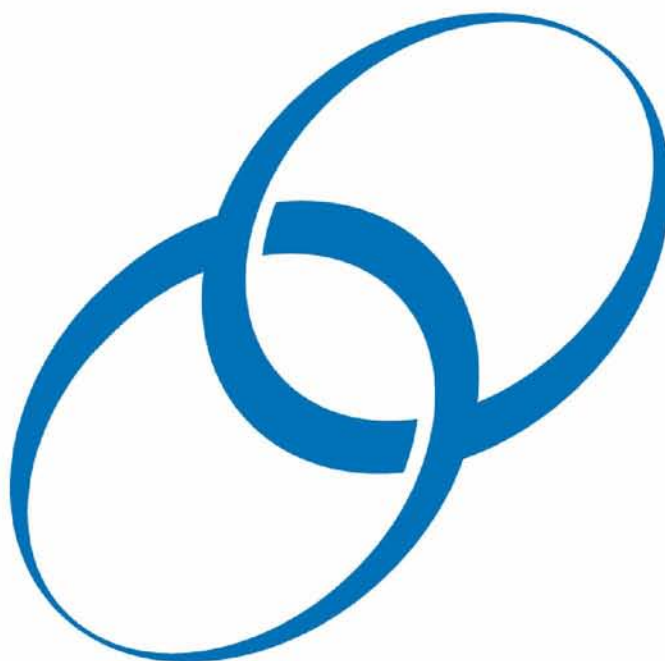


Appendix J

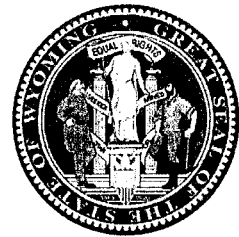
Cost Recovery Mechanism





STATE OF WYOMING
DEPARTMENT OF WORKFORCE SERVICES

DIVISION OF VOCATIONAL REHABILITATION
Administrative Office
1100 Herschler Building, 1 East
Cheyenne, WY 82002
Phone & TDD (307) 777-7386 • Fax 1-866-777-5939



Director Kathy Emmons

Governor Dave Freudenthal

December 12, 2006

Mr. Stephen G. Oxley
Chief Counsel and Commission Secretary
Public Service Commission
Hansen Building, Suite 300
2515 Warren Avenue
Cheyenne, WY 82002

RE: *Telecommunications for the Communications Impaired Act (W.S. 16-9-201 through 16-9-210).*
Direction from Committee on Telecommunications for the Communications Impaired to maintain the monthly access line special fee at six cents (\$0.06).

Dear Mr. Oxley:

Based upon the Division of Vocational Rehabilitation and Wyoming Telecommunications Relay Service information concerning current monthly collections and expenditures, the Advisory Committee voted, on September 26, 2006, to maintain the per-line surcharge at six cents (\$0.06) per month. I endorse and support this recommendation.

Over the past year the average monthly receipts collected from the surcharge have remained stable, as have the average monthly expenditures.

In projecting revenue and expenditures for 2006, revenues are anticipated to remain relatively stable. It is possible we may start seeing a decline in revenues, if many customers switch phone service from landlines which collect and remit the Telecommunications Relay Service (TRS) surcharge to Voice over Internet Protocol (VoIP) service, which does not collect or remit the TRS surcharge. Expenditures may see a slight increase. Expenditures for traditional relay are projected to remain the same, or see a slight decrease. CapTel usage for 2006 is more than double the 2005 usage, and 2007 usage and expenditures are projected to continue to increase. We are in a bid process for specialized telephone equipment for the distribution program and it is anticipated we will see some increases in equipment expenditures. Outreach and other expenses are projected to remain close to the same as for 2006.

The FCC continues to explore establishing a funding mechanism in which the states will pay for the intrastate portion of Video Relay Service (VRS) and Internet Protocol (IP) relay, which are currently being reimbursed by the TRS Fund Administrator, the National Exchange Carrier Association (NECA). The biggest areas of growth in relay service are in VRS, IP and CapTel minutes. It is unknown whether the FCC will require the states to start paying for VRS and IP intrastate minutes in the next year, however when they do require the states to start paying it will have a significant impact on expenditures.

Mr. Stephen G. Oxley

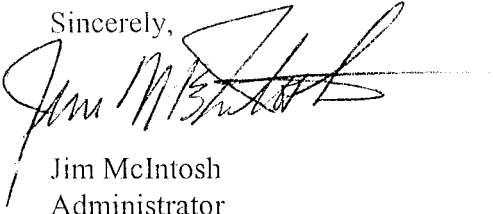
-2-

December 12, 2006

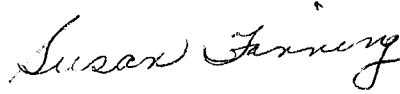
With the uncertainty in expected expenditures and the possibility of decreased revenues, the Committee felt the most prudent course of action was to maintain the current surcharge.

Enclosed please find a copy of the 2006 REPORT to the PUBLIC SERVICE COMMISSION.
Please feel free to contact us with any questions you may have.

Sincerely,



Jim McIntosh
Administrator
Division of Vocational Rehabilitation



Susan Fanning
Chairperson
Telecommunications Relay Service
Advisory Committee

lpc
Enclosures

cc: Ellen Rutledge
Steve Miedziak
Kymbrye Freeman
Lori Cielinski



Customer Service 1 800 244-1111

Page 3 of 3

Visit www.qwest.com

Qwest Local Service Detail

Home Telephone

Charges from May 04 to Jun 03

Basic Services

1	Credit For Telephone Assistance Plan - Federal	- 6.50
1	Credit For Telephone Assistance Plan - Federal	- 3.50
1	Credit For Telephone Assistance Plan - State	- 6.50

Optional Services

1	Qwest Choice Home (Includes Line, LineBacker & up to 3 selected features)	<u>29.99</u>
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Taxes, Fees & Surcharges

The following charges are permitted by local, state and federal governments. For more information, visit our website at www.qwest.com.

Federal Excise at 3%	.62
State Sales at 4%	.82
County Sales at 2%	.41
Franchise at 2.02%	.40

This charge recovers a portion of the amount Qwest remits to operate within your city.

Local 911 at \$.75 per access line	.75
------------------------------------	-----

This surcharge, funds the cost of providing emergency services communications systems in your community.

Wyoming Universal Service Fund	.17
--------------------------------	-----

This charge recovers the amount Qwest remits to the Public Service Commission. This fund helps keep basic exchange rates affordable.

Telecommunication Relay Service Fund at \$.06 per access line	.06
---	-----

This charge funds relay centers that help hearing- and speech-impaired customers make and receive calls.

Federal Access Charge	6.50
-----------------------	------

This charge, allowed by the FCC, covers part of the cost for providing access to and maintenance of the local network.

Total Qwest Local Service

State of Wyoming
Telecommunications for the Communications Impaired Act
Wyoming Relay Service Fund
Special Fee Remittance

Telephone Company:

Communities Served:

Report for Month Ending:

Total number of access lines subject to special fee: \$ _____
x \$0.06

TOTAL: \$ _____

Less: Uncollectible Amounts (if any), Adjustments: \$ _____

Subtotal:

Less: 1% Administrative Fee if authorized \$ _____
(subtract 1% of above subtotal)

TOTAL DUE: \$ _____

Name, Address and Phone Number of Preparer

Date

The number of local exchange access lines is calculated and billable on a monthly basis. The proceeds from the special fee shall be remitted to the Division of Vocational Rehabilitation monthly no later than thirty days after the end of the month in which they were collected.

This form shall be completed and mailed, along with your check, to the Division of Vocational Rehabilitation, Department of Workforce Services, 1100 Herschler Building, Cheyenne, Wyoming 82002. Make check payable to the Wyoming State Treasurer. The State of Wyoming Tax Identification Number is 83-6000291.

TRSCarge.doc

FOR TREASURER'S USE
ONLY.

Check No. _____

Date Posted: _____

State of Wyoming

Telecommunications for the Communications Impaired Act Wyoming Relay Service Fund

Telephone Company: _____

Communities Served: _____

Report for Year of: January 1, _____ to December 31,

	Number of		Uncollectible	Amount
	Access Lines		Amounts / 1%	Remitted
to				
<u>Month</u>	<u>Access Lines</u>	<u>At Rate Of</u>	<u>Administrative Fee</u>	<u>State of</u>
<u>WY</u>				
January	_____			
February	_____			
March	_____			
April	_____			
May	_____			
June	_____			
July	_____			
August	_____			
September	_____			
October	_____			
November	_____			
December	_____			

Total: _____

Signature of Authorized Official

Name: _____ Date: _____

Address: _____

City/State/Zip: _____

Telephone Number:

This annual report is required by the State of Wyoming, Department of Workforce Services, Division of Vocational Rehabilitation in order to monitor special collection fees.

Revised March 2005

(I:TRS:SerFund.doc)